

# HOUSE BILL No. 1011

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-44.

**Synopsis:** Rebate of state surplus to property taxpayers. Provides for the rebate of an unforecasted surplus in the state general fund or property tax replacement fund to persons that paid property tax.

**Effective:** July 1, 1999.

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**Grubb, Turner**

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January 6, 1999, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 1011

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-44 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1999]:

4       **Chapter 44. Development Reinvestment Rebate**

5       **Sec. 1. As used in this chapter, "department" refers to the**  
6 **department of state revenue.**

7       **Sec. 2. As used in this chapter, "fund" refers to the development**  
8 **reinvestment fund.**

9       **Sec. 3. (a) The development reinvestment fund is established for**  
10 **the purpose of granting rebates to property taxpayers. The fund**  
11 **consists of the following accounts:**

12           **(1) The personal property tax relief account.**

13           **(2) The real property tax relief account.**

14 **The fund shall be administered by the department.**

15           **(b) The expenses of administering the fund shall be paid from**  
16 **money in the fund.**

17           **(c) The treasurer of state shall invest the money in the fund not**



currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

**Sec. 4.** After the end of each state fiscal year, the budget agency shall compute:

(1) the amount by which actual revenues for the state general fund in the immediately preceding state fiscal year exceed the revenues forecasted for that state fiscal year in December of the year immediately preceding the beginning of that state fiscal year; and

(2) the amount by which actual revenues for the state property tax replacement fund in the immediately preceding state fiscal year exceed the revenues forecasted for that state fiscal year in December of the year immediately preceding the beginning of that state fiscal year.

**Sec. 5.** (a) In any year that actual revenues exceed forecasted revenues, as determined under section 4 of this chapter, the budget agency shall transfer to the fund from the state general fund and the property tax replacement fund the lesser of the following:

(1) Two hundred million dollars (\$200,000,000).

(2) The sum of the amounts determined under section 4 of this chapter.

(b) The amount to be transferred to the fund from the state general fund is determined in STEP THREE of the following formula:

**STEP ONE:** Determine the sum of the amounts computed under section 4 of this chapter.

**STEP TWO:** Divide the amount computed under section 4(1) of this chapter by the STEP ONE sum.

**STEP THREE:** Multiply the amount determined under subsection (a) by the STEP TWO quotient.

(c) The amount to be transferred to the fund from the property tax replacement fund is determined in STEP THREE of the following formula:

**STEP ONE:** Determine the sum of the amounts computed under section 4 of this chapter.

**STEP TWO:** Divide the amount computed under section 4(2) of this chapter by the STEP ONE sum.

**STEP THREE:** Multiply the amount determined under subsection (a) by the STEP TWO quotient.

(d) The transfer under subsection (a) must be made not later



than September 1 following the end of the state fiscal year. The budget agency shall deposit the amount transferred to the fund in equal shares in the personal property tax relief account of the fund and the real property tax relief account of the fund. The budget agency must notify the department of a transfer under this section not later than September 1 following the end of the state fiscal year.

**Sec. 6. (a)** Not later than August 1 of each year, the county auditor shall certify a list to the department containing:

- (1) the name of each taxpayer that paid ad valorem property taxes in the immediately preceding calendar year;
- (2) the last known mailing address of each taxpayer described in subdivision (1);
- (3) the amount of ad valorem property taxes paid in the immediately preceding calendar year by the taxpayer on personal property;
- (4) the amount of ad valorem property taxes paid in the immediately preceding calendar year by the taxpayer on real property; and
- (5) any other information determined necessary by the department.

(b) The list must be transmitted electronically in a manner and form prescribed by the department. The list must exclude property tax amounts for which a refund was paid or filed before August 1.

**Sec. 7.** Not later than November 1 of each year in which a transfer is made under section 5 of this chapter, the department shall certify a list to the auditor of state of the taxpayers who were on the list certified by the county auditor under section 6 of this chapter.

**Sec. 8. (a)** Not later than December 1 of each year, the auditor of state shall determine if at least fifty million dollars (\$50,000,000) was available on November 1 of the year in an account in the fund.

(b) If at least fifty million dollars (\$50,000,000) was available in the personal property tax relief account, the auditor of state shall issue a warrant to each taxpayer on the list who paid an ad valorem property tax on personal property in the immediately preceding calendar year in the amount determined in STEP THREE of the following formula:

**STEP ONE: Divide:**

- (A) the ad valorem property taxes paid on personal property, as shown on the certified list prepared by the county auditor, by the taxpayer; by



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(B) the ad valorem property taxes paid on personal property by all taxpayers in Indiana.

**STEP TWO: Determine the amount in the personal property tax relief account on November 1 of the current year.**

**STEP THREE: Multiply:**

(A) the STEP ONE result; by

(B) the STEP TWO amount.

(c) If at least fifty million dollars (\$50,000,000) was available in the real property tax relief account, the auditor of state shall issue a warrant to each taxpayer on the list who paid an ad valorem property tax on real property in the immediately preceding calendar year in the amount determined in STEP THREE of the following formula:

**STEP ONE: Divide:**

(A) the ad valorem property taxes paid on real property, as shown on the certified list prepared by the county auditor, by the taxpayer; by

(B) the ad valorem property taxes paid on real property by all taxpayers in Indiana.

**STEP TWO: Determine the amount in the real property tax relief account on November 1 of the current year.**

**STEP THREE: Multiply:**

(A) the STEP ONE result; by

(B) the STEP TWO amount.

(d) Not later than December 15, the auditor of state shall issue a warrant in the amount determined under subsections (b) and (c) to each taxpayer entitled to a rebate under this chapter. The warrant shall be mailed to the address of the taxpayer certified by the county auditor.

(e) A warrant issued under this section is void one hundred eighty (180) days after it is issued, and a taxpayer has no further claim for a rebate under this chapter, even if the taxpayer is no longer at the address certified by the county auditor.

**Sec. 9. (a)** An amount sufficient to make the transfers from the state general fund and the property tax replacement fund to the fund that are required by section 5 of this chapter is annually appropriated from the state general fund and the property tax replacement fund.

**(b)** An amount sufficient to make the distributions to property taxpayers required under section 8 of this chapter is annually appropriated from the appropriate account of the fund.

**SECTION 2. [EFFECTIVE JULY 1, 1999] The budget agency**



1 shall make the initial determination under IC 6-1.1-44-4, as added  
2 by this act, for the state fiscal year ending June 30, 1999. The:  
3 (1) county auditors and the department of state revenue shall  
4 make the initial certification of a list of taxpayers under  
5 IC 6-1.1-44-6 through IC 6-1.1-44-7, as added by this act; and  
6 (2) auditor of state shall make an initial determination under  
7 IC 6-1.1-44-8, as added by this act;  
8 in calendar year 1999.

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